GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1111
ANSWERED ON:22.07.2016
Withdrawal of Fund from the Market
Hansdak Shri Vijay Kumar;Singh Shri Bharat

Will the Minister of FINANCE be pleased to state:

Will the Minister of FINANCE be pleased to state:
(a) whether global investors are withdrawing their invested money due to volatility of market in India, if so, the details thereof;
(b) whether the Government is considering to provide relaxation to these investors to achieve the targets of fiscal deficit in order to increase growth rate in view of concerns of investors; and
(c) if so, the effective steps taken by the Government to address problems/ concerns of the global investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)
***
(a) The details of FPI investments during the financial years − 2014-15, 2015-16 and 2016-17* are as follows −

S. No.	Financial Year	Net Investments (INR cr.)
1.	2014-15	277,461
2.	2015-16	-18,176
3.	2016-17*	10,461

*Till June 30, 2016
(b) & (C) Budget 2016-17 reflects Government's firm commitment to boost investment while simultaneously conforming to the principle of gradual adjustments to achieve the fiscal consolidation targets as laid down in the FRBM Act and Rules. Government has taken various steps to facilitate ease of doing business for foreign investors and their domestic recipients. To attract global investors a number of reforms were taken in the FDI policy and FPI policy. Foreign investment is allowed in the insurance and pension sectors in the automatic route up to 49% subject to the extant guidelines on Indian management and control to be verified by the Regulators. FPIs have been permitted to invest in units of REITs, InvIts and Category III AIFs. Further, FPIs have also been permitted to acquire NCDs / bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal installment in the case of an amortising bond. Debt limits for investment by FPIs in Central Government securities were increased to INR 214,000 cr. w.e.f. July 05, 2016.
****